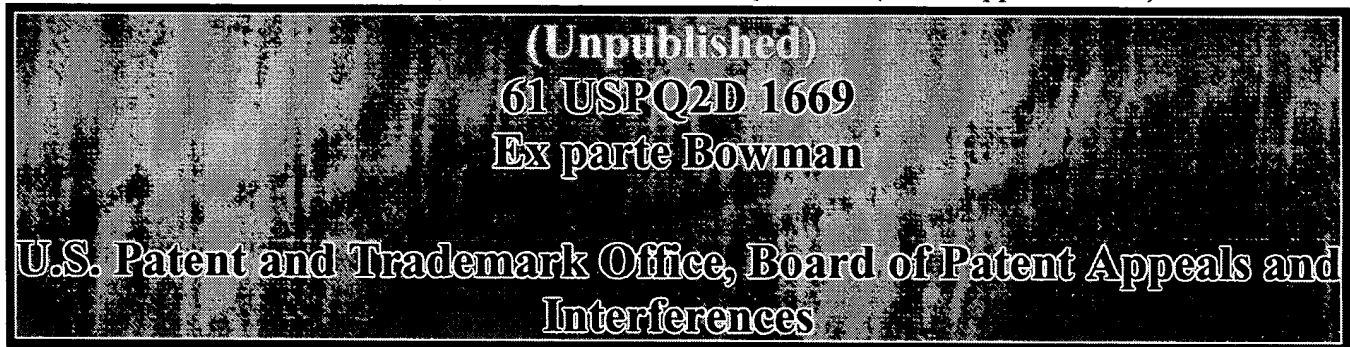

FULL TEXT OF CASES (USPQ2D)

All Other Cases

(Unpublished) Ex parte Bowman, 61 USPQ2d 1669 (BdPatApp&Int 2001)

(Unpublished) Ex parte Bowman, 61 USPQ2d 1669 (BdPatApp&Int 2001)



Appeal No. 1999-0583

Decided June 12, 2001

(Unpublished)

Headnotes

PATENTS

[1] Patent grant — Inventions patentable (§105.05)

Patent examiner properly found that application, which discloses method of evaluating intangible asset of interest by calculating scores based on performance criteria and plotting scores on chart, does not claim patentable subject matter under 35 U.S.C. §101, since invention is directed merely to human making mental computations and manually plotting results on paper chart, and thus is nothing more than abstract idea which is not tied to any technological art or environment, and since abstract idea is not transformed into patentable technological art by recited steps of “transforming physical media into a chart” and “physically plotting a point on said chart.”

[2] Patentability/Validity — Specification — Enablement (§115.1105)

Step of claimed method for evaluating intangible asset of interest by calculating scores based on performance criteria and plotting scores on chart, which recites "transforming physical media into a chart," is supported by enabling specification, since step is properly interpreted to simply mean act of "transforming" blank paper into chart on which points are plotted, which is disclosed in specification such that one skilled in art is able to make and use invention.

[3] Patentability/Validity — Obviousness — Relevant prior art — Particular inventions
(§115.0903.03)

Patent examiner properly found that application, which claims method of evaluating intangible asset of interest by calculating scores based on performance criteria and plotting scores on chart, should be rejected for obviousness pursuant to 35 U.S.C. §103, since prior art patent teaches method of calculating

Page 1670

first and second total scores, based on two sets of variables relating to asset's value, and includes chart with points plotted, and since prior patent's disclosure thus would have made obvious, to one skilled in art, presently claimed steps of establishing performance criteria statements, scoring those statements, and summing scores, in order to determine where points should be plotted on chart.

Case History and Disposition

Patent application of Clement W. Bowman, application no. 08/418,152. From final rejection of all claims in application, applicant appeals. Affirmed; Dixon, J., concurring in separate opinion.

[Editor's Note: The Board of Patent Appeals and Interferences has indicated that this decision was not written for publication, and is not binding precedent of the board.]

Attorneys:

Millen, White, Zelano & Branigan, Arlington, Va., for applicant.

Judge:

Before Jerry Smith, Dixon, and Blankenship, administrative patent judges.

Opinion Text

Opinion By:

Smith, J.

DECISION ON APPEAL

[Unpublished] This is a decision on the appeal under 35 U.S.C. §134 from the examiner's rejection of claims 1-18, which constitute all the claims in the application. An amendment after final rejection was filed on November 24, 1997, but was denied entry by the examiner.

[Unpublished] The disclosed invention pertains to a method of evaluating an intangible asset of interest.

[Unpublished] Representative claim 1 is reproduced as follows:

[Unpublished] 1. A method of evaluating an intangible asset of interest, comprising the steps of:

[Unpublished] establishing first and second variables related to the value of said intangible asset of interest;

[Unpublished] establishing a series of performance criteria statements probative of the value of said first and second variables;

[Unpublished] scoring each of said performance criteria statements;

[Unpublished] summing scores to generate first and second total scores based upon the extent to which individual statements accurately describe said intangible asset of interest;

[Unpublished] transforming physical media into a chart having a first axis relating to said first variable and a second axis relating to said second variable;

[Unpublished] physically plotting a point on said chart, said point being located at coordinates corresponding to said first and second total scores, respectively, and,

[Unpublished] using said chart in making at least one decision regarding the value of said intangible asset of interest.

[Unpublished] The examiner relies on the following reference:

[Unpublished] Robert R. Blake et al. (Blake), *The Managerial Grid*, Gulf Publishing Company, 1994, page 10.

[Unpublished] Claims 1-18 stand rejected under 35 U.S.C. §101 as being directed to nonstatutory subject matter. Claims 1-18 also stand rejected under 35 U.S.C. §112, first paragraph, as being based on an inadequate disclosure. Finally, claims 1-18 stand rejected under 35 U.S.C. §103 as being unpatentable over the teachings of Blake.

[Unpublished] Rather than repeat the arguments of appellant or the examiner, we make reference to the brief and the answer for the respective details thereof.

OPINION

[Unpublished] We have carefully considered the subject matter on appeal, the rejections advanced by the examiner and the evidence of obviousness relied upon by the examiner as support for the prior art rejection. We have, likewise, reviewed and taken into consideration, in reaching our decision, the appellant's arguments set forth in the brief along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

[Unpublished] It is our view, after consideration of the record before us, that claims 1-18 are not directed to statutory subject matter. We are also of the view that the disclosure adequately supports the invention of claims 1-18. Finally, it is our view that the evidence relied upon and the level of skill in the particular art would have suggested to one of ordinary skill in the art the obviousness of the invention as set forth in claims 1-18. Accordingly, we affirm.

[Unpublished] Appellant has indicated that for purposes of this appeal the claims will all stand or fall together as a single group [brief, page 3]. Consistent with this indication appellant has made

Page 1671

no separate arguments with respect to any of the claims on appeal. Accordingly, all the claims before us will stand or fall together. Note *In re King*, 801 F.2d 1324, 1325, 231 USPQ 136, 137(Fed. Cir. 1986); *In re Sernaker*, 702 F.2d 989, 991, 217 USPQ 1, 3(Fed. Cir. 1983). Therefore, we will consider the rejection against independent claim 1 as representative of all the claims on appeal. Only those arguments actually made by appellant have been considered in this decision. Arguments which appellant could have made but chose not to make in the brief have not been considered [see 37 CFR §1.192(a)].

[Unpublished] With respect to the rejection under 35 U.S.C. §101, the examiner asserts that the claimed invention does not fall within the technological arts because no form of technology is disclosed or claimed [answer, page 3]. Appellant responds by analyzing the claimed invention under "The Examination Guidelines for Computer-Related Inventions" as published by the United States Patent and Trademark Office. Based on these guidelines, appellant argues that the recited method of creating a chart and plotting a point thereon is "physical and has clear real world value" [brief, page 4]. Appellant also argues that the claimed process clearly results in a physical transformation outside of a computer for which a practical application in the technological arts is either disclosed in the specification or would have been known to a skilled artisan [*id.*, page 6]. The examiner responds that the noted guidelines are inapplicable here because appellant has not recited the use of a computer in either the specification or the claims. The examiner finds that neither the specification nor the claims discuss the use of any technology with respect to the claimed invention [answer, pages 5-6].

[Unpublished]

[1] We agree with the examiner. Appellant has carefully avoided tying the disclosed and claimed invention to any technological art or environment. As noted by the examiner, the disclosed and claimed invention is directed to nothing more than a human making mental computations and manually plotting the results on a paper chart [answer, page 5]. The Examination Guidelines for Computer-Related Inventions are not dispositive of this case because there is absolutely no indication on this record that the invention is connected to a computer in any manner.

[Unpublished] Despite the express language of 35 U.S.C. §101, several judicially created exceptions have been excluded from subject matter covered by Section 101. These exceptions include laws of nature, natural phenomena, and abstract ideas. See *Diamond v. Diehr*, 450 U.S. 175, 185, 209 USPQ 1, 7(1981). We interpret the examiner's rejection as finding that the claimed invention before us is nothing more than an abstract idea because it is not tied to any technological art or environment. Appellant's argument is that the physical (even manual) creation of a chart and the plotting of a point on this chart places the invention within the technological arts.

[Unpublished] The phrase "technological arts" has been created to offer another view of the term "useful arts." The Constitution of the United States authorizes and empowers the government to issue patents only for inventions which promote the progress [of science and] the useful arts. We find that the invention before us, *as disclosed and claimed*, does not promote the progress of science and the useful arts, and does not fall within the definition of technological arts. The abstract idea which forms the heart of the invention before us does not become a technological art merely by the recitation in the claim of "transforming physical media into a chart"[sic, drawing or creating a chart] and "physically plotting a point on said chart."

[Unpublished] In summary, we find that the invention before us is nothing more than an abstract idea which is not tied to any technological art, environment, or machine, and is not a useful art as contemplated by the Constitution of the United States. The physical aspects of claim 1, which are disclosed to be nothing more than a human manually drawing a chart and plotting points on this chart, do not automatically bring the claimed invention within the technological arts. For all the reasons just discussed, we sustain the examiner's rejection of the appealed claims under 35 U.S.C. §101.

[Unpublished] With respect to the rejection under 35 U.S.C. §112, the examiner asserts that the claimed invention is not described in the specification in such a way as to enable one skilled in the art to make and/or use the invention. Specifically, the examiner argues that the transforming step of claim 1 is not disclosed in the specification. According to the examiner, the chart of Figure 3 remains unchanged and is not physically transformed into the

Page 1672

chart of Figure 4 [answer, page 4]. Appellant responds that Figure 4 of the application and its corresponding description in the specification support this step [brief, page 8, incorporating argument from amendment after final rejection].

[Unpublished]

[2] We agree with appellant. Although the record does not reflect exactly what is meant by the step of "transforming physical media into a chart," we are of the view that the examiner's interpretation of transforming the chart of Figure 3 into the chart of Figure 4 is not what this step was intended to cover. We find the claimed step to mean nothing more than transforming physical media (blank paper) into a chart having two axes drawn thereon. Under this interpretation of claim 1, we find that the disclosure of this application supports the claimed invention as required by the first paragraph of 35 U.S.C. §112. Specifically, the person skilled in this art would be able to make and use the claimed invention based on appellant's disclosure. Therefore, we do not sustain this rejection of the appealed claims.

[Unpublished] With respect to the rejection under 35 U.S.C. §103, the examiner finds that the chart on page 10 of Blake clearly suggests that scores are established for each criteria statement, and the examiner finds that summing scores to obtain a final score would have been obvious within the meaning of 35 U.S.C. §103 [answer, pages 4-5]. Appellant argues that the summing of a plurality of scores to generate the first and second total scores which are plotted is not taught or suggested by the applied prior art [brief, page 5, incorporating argument from amendment after final rejection]. Appellant has also offered to further amend the claims, but that issue is not properly before us.

[Unpublished]

[3] We agree with the examiner. Blake clearly teaches the step of establishing variables related to the value of the asset of interest (concern for production and concern for people). The chart shown on page 10 of Blake represents a transformed physical medium with points physically plotted thereon [(1,1), (9,1), (5,5), (1,9) and (9,9)]. Blake does not explicitly teach the steps of establishing performance criteria statements, scoring the criteria statements, and summing scores to obtain a total score.

[Unpublished] We agree with the examiner that these three steps would have been suggested to the artisan by the chart shown in Blake. The chart in Blake has increasing numbers running along the two axes which suggests that the points to be plotted have quantity. The chart shows several specific points plotted which suggests that the various points on the chart are quantifiable. In order to quantify these points in Blake, the artisan would have recognized that (all) the factors which contribute to the value of the two variables must be identified and quantified, and the presence of these factors in the (intangible) asset under evaluation would have to be detected and summed based on the relative quantifications assigned to each factor. Thus, even though Blake does not specifically disclose that the establishing, scoring and summing steps of claim 1 are to be carried out, the artisan would have recognized the obviousness of performing these steps in order to determine where points should be plotted on the chart in Blake. Therefore, we sustain the examiner's rejection of the appealed claims under 35 U.S.C. §103.

[Unpublished] In conclusion, we have sustained the examiner's rejections of the appealed claims under 35 U.S.C. §§101 and 103, but we have not sustained the examiner's rejection under 35 U.S.C. §112. Therefore, the decision of the examiner rejecting claims 1-18 is affirmed.

[Unpublished] No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR §1.136(a).

AFFIRMED

Concurring Opinion Text

Concurrence By:

Dixon, J., concurring.

[Unpublished] I concur with the decision of the majority, but would add the following with respect to the discussion of the rejection under 35 U.S.C. §101.

[Unpublished] The claims fail to recite subject matter within any of the four statutory classes defined by §101, which authorizes the grant of a patent to “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof ...” 35 U.S.C. §101 (1994). Pursuant to its authorization under art. I, §8, cl. 8, of the United States Constitution to promote the progress of science and useful arts, Congress has specified the types of subject matter that may be patented in §101. Patentable subject matter must fall within one of these statutory categories.

[Unpublished] Further, I would add that the instant claim 1 has similarity to the format of the invention as

Page 1673

recited in claim 1 of *In re Warmerdam*, 33 F.3d 1354, 1357, 31 USPQ2d 1754, 1756 (Fed. Cir. 1994).

[Unpublished] 1. A method for generating a data structure which represents the shape of [sic] physical object in a position and/or motion control machine as a hierarchy of bubbles, comprising the steps of:

[Unpublished] first locating the medial axis of the object and

[Unpublished] then creating a hierarchy of bubbles on the medial axis.

[Unpublished] But, I note that in *Warmerdam* both a method and apparatus were disclosed in the specification and the present claim 1 was originally filed as “creating” the chart and plotting of a point thereon.

[Unpublished] In the Court's decision in *In re Warmerdam*, 33 F.3d at 1358, 31 USPQ2d at 1757 Judge Plager wrote:

[Unpublished] [d]espite the oft-quoted statement in the legislative history of the 1952 Patent Act that Congress intended that statutory subject matter “include anything under the sun that is made by man,” S. Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952), reprinted in 1952 U.S.C.C.A.N. 2394, 2399; H.R. Rep. No. 1923, 82d Cong., 2d Sess., 6 (1952), *Congress did not so mandate*. Congress included in patentable subject matter only those things that qualify as “any ... process, machine, manufacture, or composition of matter, or any ... improvement thereof...” 35 U.S.C. Section 101 (1988). *Cf. In re Alappat*, No. 92-1381, slip op. at 29 [31 USPQ2d 1545] (Fed. Cir. July 29, 1994) (en banc) (“The use of the expansive term “any” in Section 101 represents Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in Section 101 and the other parts of Title 35.”) (Emphasis added.)

[Unpublished] Here, the Court reinforces that it is the role of Congress to set forth the boundaries of statutory subject matter and not the courts. If Congress intended for “anything under the sun that is made by man” to be patentable/statutory subject matter, then Congress would have included copyrightable materials (e.g., musical/literary works, maps and charts), into the realm of patentable subject matter. It is clear that Congress did not intend to include everything, so we must assume that there is still some limitation(s) to the spectrum of statutory subject matter under 35 U.S.C. §101.

[Unpublished] But in a subsequent case, *AT & T Corp. v. Excel Communications Inc.*, 172 F.3d 1352, 1355, 50 USPQ2d 1447, 1449-50 (Fed. Cir. 1999), Judge Plager wrote that

[Unpublished] The Supreme Court has construed §101 *broadly*, noting that Congress intended statutory subject matter to “include anything under the sun that is made by man.” *See Diamond v. Chakrabarty*, 447 U.S. 303, 309 [206 USPQ 193] (1980) (quoting S. Rep. No. 82-1979, at 5 (1952); H.R. Rep. No. 82-1923, at 6 (1952)); *see also Diamond v. Diehr*, 450 U.S. 175, 182 [209 USPQ 1] (1981). Despite this seemingly limitless expanse, the Court has specifically identified three categories of unpatentable subject matter: “laws of nature, natural phenomena, and abstract ideas.” *See Diehr*, 450 U.S. at 185. (Emphasis added.)

[Unpublished] In *AT & T*, we see a slight variation from the position in *Warmerdam*, but still a recognition that not everything is statutory subject matter. With this recognition that abstract ideas which have not been applied in some manner (to something tangible; within the technological arts; with a computer; in a memory device or medium) to realize a “useful, concrete, and tangible result” (citing *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368, 1374-75, 47 USPQ2d 1596, 1602 (Fed. Cir. 1998)), the Court in *AT & T* found that the claimed process, which the district court “recognized that the claims require the use of switches and computers” (*AT & T* 50 USPQ2d at 1449), was directed to statutory subject matter. The Court went on to find that it does not matter whether the claimed invention is directed to a process or machine and that the scope of 35 U.S.C. §101 is the same for either claimed invention (since both were disclosed). (*AT & T* 50 USPQ2d at 1451.)

[Unpublished] Here, I find that the prior factual situations may be distinguished with the present disclosed and claimed invention. In the present application, the specification is silent as to the need for any apparatus to carry out the claimed process or to make the ultimate decision regarding the value of the intangible asset. I note that the only remnant of structure to evidence the application of the abstract idea may be gleaned impliedly from originally

Page 1674

filed claim 1 which stated “generating first and second total scores ...” which was amended to recite “summing scores to generate first and second total scores” Appellant argued in the amendment (paper no. 8) filed March 27, 1997 at page 3 that there is “post-solution activity” and “pre-solution activity,” but appellant does not overtly state or argue that the disclosed or claimed invention is computer implemented or in any way involved with some application of the abstract idea beyond the creation of a chart on a physical medium and plotting of a point thereon. This I find to be no more than a mere recordation of an idea in the abstract which I would equate to the affixation in a tangible medium of that idea which has been devised separate and distinct from any real world application until the chart is created and a point plotted thereon. This to me is outside the province of 35 U.S.C. §101.

[Unpublished] Going back to the analysis by the Court in *In re Warmerdam*, 33 F.3d at 1360, 31 USPQ2d at 1759, the Court further states that

[Unpublished] [i]t is true, particularly with ideas expressed in mathematical form, that if a claim requires more than the manipulation of ideas so that the process described in the claim produces something quite different, then the process might indeed describe statutory subject matter It is the claims which define the metes and bounds of the invention entitled to the protection of the patent system. *Zenith Lab. Inc. v. Bristol-Myers Squibb Co.*, 19 F.3d 1418, 1424, 30 USPQ2d 1285, 1290(Fed. Cir. 1994).

[Unpublished] Here, appellant argues that the claimed “transforming physical medium,” which is not disclosed, but assumed to be paper, “into a chart” and “physically plotting a point on said chart” is a physical transformation. I note that the specification as originally filed is silent as to any “media” beyond being a graphical representation which may be as broad as using a stick in the sand or dirt; pen on a whiteboard or pen/pencil on paper. Appellant cites to the discussion in *State Street Bank* at page 1538 (brief at page 7) concerning *In re Alappat*, 33 F.3d 1526, 31 USPQ2d 1545 (Fed. Cir. 1994) and *Arrhythmia Research Tech. Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1060, 22 USPQ2d 1033, 1039 (Fed. Cir. 1992) wherein there was a physical transformation using the result of the computation. I would distinguish those three cases (*State Street Bank*, *Alappat* and *Arrhythmia*) along with *AT & T* since each of the cases included a disclosed invention which was well grounded in an area of the technological arts (computer, electrical, chemical, biological, mechanical engineering and physics-the physical sciences rather than the social sciences).

[Unpublished] Here, I find no such application, involvement, use or advancement of the technological arts in the invention as recited in express language of claim 1 or in the disclosed invention with which to interpret the language of claim I. While I realize that a computer may arguably not be required to be disclosed *In re Dossel*, 115 F.3d 942, 946-47, 42 USPQ2d 1881, 1885(Fed. Cir. 1997) (finding the inferred disclosure of a computer without any express disclosure), appellant has not argued the use of any item or computer with which to practice or apply the claimed process beyond the abstraction of the human mind. Appellant relies solely upon the creation/transformation of the media into a chart and plotting of a point.

[Unpublished] While *AT & T* recognizes that a transformation is not a requirement for statutory subject matter and is merely one example of an indication to show the presence of statutory subject matter, the Court stated that “[t]he finding that the claimed process ‘transformed’ data from one ‘form’ to another simply confirmed that Arrhythmia’s method claims satisfied Section 101 because the mathematical algorithm included within the process was applied to produce a number which had specific meaning—a useful, concrete, tangible result—not a mathematical abstraction.” (Citation omitted.) *AT & T* at 1452. Here, the result of the abstract idea does not, in my view, have “specific meaning” as in *Arrhythmia*, rather is still an abstraction, now recorded as in *In re Schrader*, 22 F.3d 290, 294, 30 USPQ2d 1455, 1458. (See *cf. AT & T* at 1453 (with respect to the lack of helpfulness in determination of a “useful, concrete, tangible result.”)) While *AT & T* clarifies that structure need not be present in the claim language for process claims to be directed to statutory subject matter, the Court appears to impliedly weigh that the process is carried out by a network of computers and telephone switches being used in the flow of communications, but here we do not have a similar factual situation.

Page 1675

[Unpublished] The Court in *AT & T* stated that “the Alappat inquiry simply requires an examination of the contested claims to see if the claimed subject matter as a whole is a disembodied mathematical concept representing nothing more than a ‘law of nature’ or an ‘abstract idea,’ or if the mathematical concept has been reduced to some practical application rendering it ‘useful.’” *AT & T* at 1544 (citing *In re Alappat*, 33 F.3d at 1581, 31 USPQ2d at 1557).

[Unpublished] In *AT & T* at 1450, the Court stated that: “[t]his court recently pointed out that any step-by-step process, be it electronic, chemical, or mechanical, involves an ‘algorithm’ in the broad sense of the term. See *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368, 1374-75, 47 USPQ2d 1596, 1602 (Fed. Cir. 1998), *cert. denied*, ___ U.S. ___, 119 S.Ct. 851 (1999).” While I agree with the Court’s analysis of an algorithm, the Court assumes that the algorithm is in an “electronic, chemical, or mechanical” based invention which I would find to be more than a mere recodation of the culmination of an abstract idea separate from the “electronic, chemical, or mechanical” technologies as in the present disclosed and claimed invention.

[Unpublished] The Court in *AT & T* went on to state that “as this brief review suggests, this court (and its predecessor) has struggled to make our understanding of the scope of Section 101 responsive to the needs of the modern world.” (Emphasis added.) *AT & T* at 1450. While I agree that the development of the information era has pushed the envelope of statutory subject matter to embrace the technological advancement and immense flexibility of the computer software-based inventions, as has the evolution of biotechnology, but here, I find that the claimed invention is not a product of the “modern world” with which the Court has struggled since there is not involvement of the traditional sciences there can be no advancement of the “useful arts” as the Constitution empowered Congress. Therefore, I agree with the majority and would sustain the rejection of claims 1-18 as directed to nonstatutory subject matter. I concur with the majority with respect to their decision with respect to the rejections under 35 U.S.C. §§ 112 and 103.

[Unpublished] With the holding of the above type of claim as statutory subject matter, abstract thought and analysis of any interest would still be available, but once an individual seeks to record their analysis, they would infringe the present claim at issue. I believe that this was not the intent of Congress or the intent of our forefathers who set forth the authority for our patent system in the U.S. Constitution.

- End of Case -

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